



# Trading resources to highest value use

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## *The Key Question*

How, at every location, do we get

- the *right* set of interventions
- at the *least* cost

so as to facilitate the emergence of

- Socially optimal land use change
- Socially optimal land and water use

In an ever changing world of

- Varying prices, climates and technology

full of people who behave differently from one another

# Crowding out

- The more governments use market based instruments to solve a problem, the less the investment by private individuals
- Voluntary MBI's reduce voluntary input
- Without careful design, the value of lost voluntary actions can be greater than the value of the services gained.

# Duty of care, penalties & ecosystem service payments

